Covenant of Mayors
- Tool
for Promoting energy efficiency investments for climate change mitigation and sustainable development

5th International Forum on Energy 4 Sustainable Development
Hammamet, Tunisia, 4-7 November 2014
Riu Palace Oceana Hotel
4th of November 2014

George Abulashvili
CoM Key Expert
EEC Georgia
United Nations Secretary-General Ban Ki-moon, who has long urged workable solutions based on “clear vision anchored in domestic and multinational actions.”

France president Francois Hollande said the world was ready for a “new model of development” which priced carbon, divested backing for fossil fuels and directed funding towards green energy sources.

U.S. President Barack Obama said a new global agreement on climate change must include strong commitments from emerging economies and move past the rich-poor country divide that has hampered progress in United Nations negotiations.

World Nations pledged $1.3 billion toward a United Nations fund designed to help developing countries adapt to the effects of climate change, but the program is still far short of its $10 billion goal for the year.

With political efforts to slow global warming moving at a tortuous pace, some of the world’s largest companies are stepping into the void, pledging more support for renewable energy, greener supply chains and fresh efforts to stop the destruction of the world’s tropical forests.
Therefore:

Battle to secure energy future and against climate change is won or lost at LOCAL LEVEL.

Statistics based ‘Philosophy’

Above 55% of world population is urban

‘70 percent of energy is consumed in urban areas. Cities are responsible for more than 70% percent of GHG emissions.’
Therefore: Covenant of Mayors

Since 2008, more than 6230 local governments and self-governments with 194,422,554.00 inhabitants around the globe have made a voluntary commitment to strive for sustainable energy development at local level.
What is the Covenant of Mayors?

The Covenant of Mayors is the fast growing mainstream European movement supported by the European Commission involving local, regional and national authorities in sustainable energy development and climate protection.

It is based on a voluntary commitment of municipal councils to improve the quality of life of their citizens by improving energy efficiency and expanding usage of renewable energy that will result in at least 20% CO₂ emissions reduction by 2020.
## CoMO East in figures

<table>
<thead>
<tr>
<th>CoM East Countries</th>
<th>No of Signatories</th>
<th>Population</th>
<th>CNC</th>
<th>CS</th>
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<td>Ukraine</td>
<td>82</td>
<td>8,838,526</td>
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<td><strong>Total</strong></td>
<td><strong>149</strong></td>
<td><strong>15,355,552.00</strong></td>
<td><strong>6</strong></td>
<td><strong>7</strong></td>
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</table>
The Covenant Signatory Cities commit to:

- Develop a local sustainable energy and climate protection policy
- Adapt relevant **administrative structures** to implement the above policy
- Select basic year or scenario baseline emission inventory, design **Sustainable Energy Action Plan (SEAP)** and investment projects
- Involve **citizens and other stakeholders** to develop and implement SEAPs
- Publish **periodic reports** to show concrete progress and results of SEAP implementation
- Encourage **other cities** to join the initiative
The Covenant step-by-step

**STEP 1** Signature of the Covenant of Mayors
- Getting started
  - Definition of your long-term vision
  - Establishment of your Covenant team
  - Compilation of your Baseline Emission Inventory
  - Development of your action plan – in close collaboration with local stakeholders & citizens

**STEP 2** Submission of your Sustainable Energy Action Plan
- Implementation
- Monitoring & feedback
- Planning
- Monitoring & reporting of your progress
- Implementation of your CO₂ reduction policies and measures

**STEP 3** Submission of your Implementation Report
- **CO₂ target by 2020** -20%
What municipal services are included in SEAP?

- Direct emissions due to fuel combustion within the territory
- Other direct emissions that occur within the territory, depending on the choice of BEI sectors
- (Indirect) emissions related to the production of energy that is consumed within the territory regardless of the location of the electricity production

**Territory of the Municipality**

- Buildings, equipment & facilities (municipal, residential, tertiary)
- Transport (public, private, commercial)
- Industries (ETS excluded, optional)
- Solid waste & wastewater treatment plants (optional)
- Local energy generation facilities (electricity ≤ 20 MW, heat/cold if applicable)
Initial Financial Appraisal

Initial Financial Appraisal is a short (10pg’s max) document that contains description of the investment project.

As for today we are in close cooperation with Ukrainian & Georgian cities. Investment demand of individual projects varies from 40K€ to 7 mln€.

Most of investment projects are focused on EE retrofitting of municipal buildings.
Investment Demand Distribution by SEAP Sectors
### Barriers for Financing
(Cross) Subsidized Energy Tariffs resulting prolonged SPP time for SEAP measures

<table>
<thead>
<tr>
<th>UPT CNG busses</th>
<th>Street lighting</th>
<th>District heating</th>
<th>Residential buildings</th>
<th>Public buildings</th>
<th>Indicative facility life</th>
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<td>8-12 years</td>
<td>8-12 years</td>
<td>&gt; 20 years</td>
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<td>&gt; 30 years</td>
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<tr>
<td>10 years</td>
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<td>&gt; 30</td>
<td>Georgia</td>
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<td>6 years</td>
<td>10 -12 years</td>
<td>Moldova</td>
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<tr>
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<td>6 years</td>
<td>3-10 years</td>
<td>11 years</td>
<td>6-11 years</td>
<td>Ukraine</td>
</tr>
</tbody>
</table>
Potential Funding Institutions & Barriers for Financing

- World Bank
- EIB
- EBRD
- KfW
- NEFCO
- ADB
- IFC
- E5P
- GGF
- Other IFI’s

Limited Access to the Financing !!!
Obligatory of Involvement of National Governments !!!
Specialized Municipal Financing ???
Warranty Funds ???
Covenant of Mayors East Offices are established to help Signatories

- Twin activities with the Brussels office
- 1: 12, Ohienka Street, office 1-A, Lviv, Ukraine
- 2: 19, D.Gamrekeli, Room 611, Tbilisi, Georgia
- 3: 1, Tchatenst Str. Yerevan, Armenia
- 4. 1, Orbita Str. Almaty, Kazakhstan
Thanks😊

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Available also in the national languages of Eastern Europe, South Caucasus and Central Asia